CHAPTER I
THEORETICAL BACKGROUND OF THE STUDY

Overview

In this chapter an attempt has been made to explain the theoretical background of Rural Development, Community Development Programme and Panchayati Raj System.

Concept of Rural Development

Development is a subjective and value-loaded concept, and hence there cannot be a consensus as to its meaning. The term is used differently in diverse contexts. It basically means ‘unfolding’, ‘revealing’, or ‘opening up’ something which is latent. When applied to human beings, it therefore means ‘unfolding’ or ‘opening up’ their potential powers. Generally speaking, the term development implied a change that is desirable. Since what is desirable at a particular time, place and in a particular culture may not be desirable at other places, or at other times at the same place and in the same cultural milieu, it is impossible to think of a universally acceptable definition of development. At best development in the context of society could be conceptualized as a set of desirable societal objectives which society seeks to achieve. Thus defined, development is cherished by all individuals, communities and nations, irrespective of their culture, religion and spatial location.

These days, sustainable development has become a buzzword. According to the World Commission on Environment and Development, “sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”¹ It simple words, sustainable development is a process in which the set of desirable societal objectives, or the development index, does not

decrease over time. Constancy of natural capital stock, including natural resources and the environment, is a necessary condition for sustainable development. The set of ‘sufficient conditions’ includes an appropriate institutional framework and governance system for implementation of sustainable development policy.

The term rural development connotes overall development of rural areas with a view to improve the quality of life of rural people. In this sense, it is a comprehensive and multidimensional concept, and encompasses the development of agriculture and allied activities, village and cottage industries and crafts, socio-economic infrastructure, community services and facilities and above all, the human resources in rural areas. As a phenomenon, rural development is the end-result of interactions between various physical, technological, economic, socio-cultural and institutional factors. As a strategy, it is designed to improve the economic and social well being of a specific group of people the rural poor. As a discipline, it is multi-disciplinary in nature, representing an intersection of agricultural, social, behavioural, engineering and management sciences. In the words of Robert Chambers:

Rural Development is a strategy to enable a specific group of people, poor rural women and men, to gain for themselves and their children more of what they want and need. It involves helping the poorest among those who seek a livelihood in the rural areas to demand and control more of the benefits of rural development. The group includes small scale farmers, tenants and the landless.³

Thus the term rural development may be used to imply any one of the above-mentioned connotations. To avoid ineffective floundering among the myriad definitions, we shall define rural development as: ‘A process

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² Areas Outside the Jurisdiction of Municipal Corporations and Committees and Notified Town Area Committees.
leading to sustainable improvement in the quality of life of rural people, especially the poor.’

**Some Paradigms of Rural Development**

A theory is expected to perform two major functions, namely, explanation, and predication of a phenomenon. There is no universally acceptable theory of rural development with can explain the existing phenomenon of rural development and predict its future course. What we have is a set of hypotheses and propositions that constitute higher-level generalizations in the field of development. To the extent that rural development is a subset of development, hypotheses of development apply to rural development as well. Many such hypotheses emphasize both economic and non-economic determinants of development, i.e., they are quite comprehensive. Another characteristic of some of the hypotheses propounded by development theorists is that they are not fully operational, in the sense that it is very difficult to test them, i.e, they are refractory. This chapter is devoted to a critical review of some comprehensive paradigms of development, and examines their relevance to rural development in the Indian context.

We begin with an examination of what the great thinkers of the past, particularly the classical economists, contributed to the subject. We can then, in the light of subsequent experience, determine in what respects they were right or wrong. In this manner, we can free ourselves (at least partially), from the confines of our own times, and can better equip ourselves for an objective analysis of the complex process of development.

The economists of the late eighteenth and early nineteenth centuries were primarily concerned with the conditions for economic growth. This was the period of the “Industrial Revolution” in Europe. The Classical economists – including Adam Smith, David Ricardo, Thomas Robert Malthus, John Stuart Mill and Karl Marx – lived through the period of take-off into sustained growth. The observations of these economists regarding the nature and causes of economic growth are, therefore, of considerable
interest. We shall now present some basic ideas of the classical school of thought, which may still be relevant. An interesting element of the arguments of the Classical economists was the concept of circularity that characterized the interrelationship between technology, investment and profit. The circularity was inherent in their assertion that the level of technology depends on the level of investment, investment depends on profits, and profits depend partly on the level of technology. This circularity was no accident or oversight; it was precisely what the Classicists wished to stress, i.e., in economic development, nothing succeeds like success, and nothing fails like failure. In the circular argument, we already have a clue to the difference in the performance of developed and developing countries.

The classical economists did not focus their attention on development or rural development per se; they perhaps assumed that economic growth would naturally lead to development. It was towards the end of World War II around 1945, that development became an important field of study and attracted several scholars. Most of the initial writings on the subject dwelt on explaining the meaning of development, identifying factors affecting development and exploring interrelationships among the factors. Two distinct schools of thought emerged in the fifties, namely Capitalist; and Marxist, and two distinct theories corresponding to them, namely, the ‘Modernization Theory’ of the Capitalist School, and the ‘Dependency Theory’ of the Marxist School.

The Modernization Theory

The dominant arguments of the capitalist school are embodied in what is known as the Modernization Theory, or the ‘Free World’ model of development. The Modernization Theory was the justification for US hegemony in the context of the Cold War. Scholars who contributed to the growth and development of this theory comprised economists, sociologists, historians and anthropologies, and the determinants of development identified by them included both economic and non-technology and
rationality, without changing class structure as a means of development, and removal of all social and ideological obstacles to such a process.\(^4\)

The Modernization Theory was based on several assumptions. They are application of Western science and technology in order to increase production is essential for achieving development; the process of development can be delineated into a series of stages, and all societies pass through those stages; in the process of development, traditional social and political institutions are replaced by modern ones; and traditional feudal forms of political power will be replaced by democratic forms of governance.\(^5\)

In a nutshell, the Modernization Theory presented the ‘American way of life’ as the epitome of modernity. It envisages that development can be achieved only through industrialization and urbanization, along with technological transformation of agriculture an insight validated by the experience of newly industrialized countries of East Asia and South East Asia.

In the context of rural development, the Modernization Theory offers quite a few useful insights, such as the inevitability of the use of modern technology for increasing agricultural production, and the need for replacing traditional feudal institutions by new democratic ones, for a shift towards greater scientific temper, and secular values and norms. However, the theory has lost much of its appeal due to its failure to predict and explain many economic phenomena, such as the faltering of the post World War II boom in the 1960s, worldwide depression in the 1970s, and the shift in the terms of international trade in favour of developed countries. The theory also did not foresee the adverse entrainment impacts of the capitalist/free market model of development, and its unsustainability. In the face of these weaknesses and criticisms, the theory has taken a few new directions, such as International Keynesianism, with its emphasis on the establishment of a New International Economic Order and the Guarantee of


Basic Needs and Structural Adjustments Programmes. However, these new initiatives do not directly address the problems of rural development, and to that extent are not relevant.

The recent financial (currency and stock market) turmoil in East Asian countries has proved that the market economy model, or the capitalist path, cannot guarantee stable and sustainable economic development characterized by fast-improving living standards. From Japan and South Korea to Malaysia and Indonesia, mounting bankruptcies, growing unemployment and rising inflation have engendered not only the loss of economic staff confidence, but also threatened the region’s political and military stability.

There is yet another reason for the failure of the Modernization Theory to be relevant in the context of developing countries like India, and that is the non-existence or ineffective implementation of rules and controls aimed at preventing private companies or groups from dominating their domestic markets. In the free market-oriented Western democracies, such rules and controls are effectively implemented, and hence they tend to even out the distribution of income and wealth. In the absence of strict control and regulation of the activities of private enterprises in developing countries, including India, not all the intended benefits from free markets accrue to society.

**The Dependency Theory of the Marxist School**

The growing disenchantment with the Modernization Theory, owing to its failure to explain growing inequalities, poverty, violence and military coups, in the newly independent nations in Africa and Asia, forced development scholars to ask new questions and seek new answers, using an alternative paradigm. The intellectual foundation of the new paradigm was rooted in the ideas of Karl Marx, Friedrich Engels and other Marxist thinkers. Marx and Engels were the contemporaries of the proponents of the Modernization Theory, notably Durkheim and Weber. Marx and Engels believed that the process of social change was not gradual and evolutionary,
as assumed by the Modernization Theory. Instead, it was characterized by conflict of interest between classes in society, or class structure. The Marxists saw class struggle as the engine of social change and development.

The Marxists argued that imperialism, rather than being a benign political outgrowth of European civilization (as argued by the Modernization Theorists), was an exploitative system of economic, social and political relations. The system changed the colonized nations into sources of cheap inputs to production in the capitalist nations, as well as markets for their products. This arrangement always worked to the advantage of the imperial power. Such a view of the dynamics at work in the capitalist system meant a complete reversal of the logic of modernization from the promise of development to impoverishment. This was the fundamental argument of the Marxist School of thought, which came to be known as the Dependency Theory.

The initial support for the Dependency Theory came from Latin America, particularly from the work of Rural Prebisch and his associates at the Economic Commission for Latin America. However, the Chief spokesman for the theory was Andre Gunder Frank, who dismissed the Modernization Theory as useless from a policy perspective. Frank asserted that the relation between rich and poor nations was not only, not beneficial to the latter, but positively destructive, hindering and distorting their development. In his view, development and underdevelopment were both results of interactions between societies. He drew up detailed historical case studies of Chile and Brazil to support his assertions. The main arguments of the Dependency Theory are the developed countries (the First World) could not have achieved the level of development that they have, without the systematic exploitation of the developing countries (the Third World); that the process of development passes through a series of stages is an illusion. Developing countries cannot attain development following the path adopted by developed countries, so long as the exploitative world system exists; countries that are now poor were not so to begin with: rather they have been
forced into the stage of underdevelopment by a global system of capitalist exploitation; and developing countries can develop only by snapping their links with the developed countries.\textsuperscript{6}

The Dependency Theory was very popular in the 1970s, as it provided a plausible explanation to the perpetuation of the problems of poverty and stagnation in developing countries, despite concerted efforts at solving them. Development scholars realized the need for critically examining the existing relations between rich and poor countries, to find out whether they were benign and beneficial to the poor nations, or harmful. However, in the 1980s, the theory lost much of its initial popularity, and was criticized as being ‘too deterministic’ and ‘too simplistic’. The basic argument of the theory that ‘under development’ in developing countries (the periphery) is the result of ‘development’ in developed countries’ (the core/centre) was falsified by the experience of the East Asian tigers. These tigers were initially dependent on the developing countries, (i.e., they were on the periphery), but in course of time they became highly developed and competitive, i.e., they moved from the periphery to the core. Besides, the theory did not consider the role of several internal factors, such as excessive population growth, underdeveloped human resources, shortage of natural resources and class struggle, in explaining the existence of ‘underdevelopment’.

In the context of rural development, we could say that the theory provides a useful caveat that, while identifying the determinants of rural development, we should critically examine various intersectoral linkages (both backward and forward) and interactions, and determine whether they are beneficial to rural people or not. If not, necessary policy measures should be suggested to make the linkages and interactions beneficial to rural people. A similar exercise needs to be done at the national level, to find out which international economic and political relationships are

beneficial, and which are harmful to economic development in general, and rural development in particular.

**Resonstein - Rodan’s Theory of the ‘Big Push’**

According to this theory, there is a minimum level of resources that must be devoted to a development programme, if it is to have any chance of success. Launching a country into self-sustaining growth is a little like getting an airplane off the ground. There is a critical ground speed which must be passed before the craft can become airborne. The essence of this theory is: Proceeding ‘bit by bit’ will not add up in its effects to the sum total of the single bits. A minimum quantum of investment is a necessary, though not sufficient, condition of success.

Rosenstein – Rodan identifies three different kinds of indivisibilities, which may be considered the main obstacles to the development of developing countries. These are the indivisibility in the supply of social overhead capital, the indivisibility of demand, and the indivisibility in the supply of savings. He argues that a big push in terms of a high quantum of investment is required to scale the economic obstacles to development created by these three kinds of indivisibilities, and the external economies to which they give rise. This implies that the development process is a series of discontinuous ‘jumps’ and each jump require a ‘big push’. Besides, there may finally be a phenomenon of indivisibility in the vigour and drive required for successful development policy. Isolated and small efforts may not add up to a sufficient impact on growth. An atmosphere of development may only arise after a critical minimum level of investment has been reached.

Rosenstein Rodan does not offer any specific and practicable suggestions to overcome the adverse effects of the indivisibilities, but he suggests that international trade may reduce the size of the minimum push required to obviate the effect of indivisibility of demand. Mobilization of sufficient resources to provide the required ‘big push’ continues to be the biggest hurdle, which developing countries to be the biggest hurdle, which
developing countries cannot overcome on their own. Rosenstein Rodan recommends that a trust, with capital from outside, be established to plan and finance investment for the entire area simultaneously. A major criticism of this theory is that the resources required to give the ‘big push’ are of such a high order, that a developing country like India cannot afford them. In fact, a country capable of mobilizing the requisite quantum of resources would not be a poor country. However, conceptually, this paradigm continues to be appealing to planners and scholars.

Leibenstein’s ‘Critical Minimum Effort Thesis’

The central idea of Harvey Leibenstein’s thesis is that in order to attain sustained secular growth, it is essential that the initial stimulant to development be of a certain critical minimum size. According to Leibenstein, economic backwardness is characterized by a set of interrelated factors, which have a certain degree of stability at their small equilibrium values. The actual values are different from the equilibrium values, because the economy is always being subjected to stimulants or shocks. The stimulants have a tendency to raise per capita incomes above the equilibrium level. But in backward economies, long term economic development does not take place because the magnitude of stimulants is too small. In other words, efforts to escape from economic backwardness are they spontaneous or forced, are below the critical minimum needed for sustained growth.

For small values of the stimulant, the generated income-depressing factors are, in the long run; more significant than the induced income-raising forces, but the reverse is the case with high values of the stimulant. Population growth may be cited as an example of this phenomenon. A small increase in capital through raising incomes will stimulate more than an equivalent increase in population and a proportional decline in per capita income. There is, of course, a biologically determined maximum rate of population growth between 3 and 4 percent. As such, persistent capital accumulation above a certain minimum effort arises to overcome internal and external diseconomies of scale, to overcome income-
depressing obstacles which may be generated by the stimulants to growth, and to generate sufficient momentum in the system, so that the factors that stimulate growth continue to play their part.

Leibenstein’s thesis is more realistic than Rosenstein – Rodan’s big push theory. Giving a big push to the programme of industrialization all at once is not practicable in underdeveloped countries, while the critical minimum effort can be properly timed and broken up into a series of smaller efforts to put the economy on the path of sustained development. This theory is also consistent with the concept of decentralize democratic planning, to which India, and most developing countries, are wedded. Therefore, this paradigm provides good clues as to the quantum of investment that is absolutely essential to make a programme take off.

**Lewis’ Model of Economic Development with Unlimited Supplies of Labour**

W. Arthur Lewis model is based on the fact that in many developing countries, there exist large reservoirs of labour whose marginal productivity is negligible, zero, or even negative. This labour is available in unlimited quantities, as a wage equal to the subsistence level of living, plus a margin sufficient to overcome the friction of moving from the ‘subsistence sector’ to the ‘capitalist sector’, which may be called ‘subsistence-plus’ wage. As the supply of labour is unlimited, new industries can be set up and the existing ones can be expanded without limit, at the ruling wage rate. The capitalist sector also needs skilled workers. But Lewis maintains that skilled labour is only a temporary bottleneck, and can be removed by providing training facilities to unskilled workers.

Since the marginal productivity of labour in the capitalist sector is higher than the ruling wage rate, there results a capitalist surplus. This surplus is used for capital formation, which makes possible employment of more people from the subsistence sector. The increase in investment by the capitalists raised the marginal productivity of labour, which induces capitalist employers to increase their labour force till the marginal
productivity of labour falls to a level equivalent to the ruling wage rate. This process goes on till the capital labour ratio rises to the point where the supply of labour becomes inelastic. Some critics have pointed out that Lewis optimism concerning development by absorption of disguised unemployment from agriculture is unfounded, because it is not possible to transfer a large number of workers permanently and on a full time basis from agriculture to industry, without a drop in agricultural output, i.e., the marginal productivity of labour in agriculture is not zero.

Technical progress in the capitalist sector may also increase the share of profits in national income as long as there is surplus labour. The share of profits increases, both because the profit ratio within a capitalist sector of a given size may increase through innovation, and because the capitalist sector itself grows. According to Lewis, this is the major way in which the rise in capital formation from 4 or 5 per cent to about 12-15 percent of national income takes place.

Capital is created not only out of profits, but also out of bank credit. In a developing country characterized by unemployed resources and scarcity of capital, credit creation will expand output and employment in the same way as profits do. Credit-financed capital formation, however, results in a temporary rise in prices. The inflationary process comes to an end when voluntary savings from increased profits are large enough to finance new investment, without resort to bank credit.

According to Lewis, the process of growth cannot continue indefinitely, and must come to an end on account of a number of factors. When this happens, the process of capital formation can still be kept going by stimulating immigration or by encouraging export of capital to countries which possess abundant supplies of labour at the subsistence wage rate. Since the former measure is strongly opposed by trade unions, the latter seems more practicable.

Lewis model seems to provide a good framework to understand the process of economic development in labour surplus developing countries
like India. Its basic premise is that labour productivity in agriculture must increase substantially in order to generate surplus in the form of food to be used for development of the non-farm sector, and to release the surplus labour from agriculture for meeting the growing needs of the non-farm sector. However, the relevance of the model is constrained by a number of factors. First, labour unions may push the wage rate up as labour productivity increases, and keep the rate of profit and rate of capital formation lower than expected. Second, the capitalist employers may use the surplus for speculative or non-productive purposes, instead of ploughing it back for development purposes. This is, in fact, what has been happening these days in India and other developing countries. Third, to meet their rising expectations, rural people may consume more and save less than predicated by the model, and thereby dampen the pace of development.  

The Lewis model does not present a satisfactory analysis of the agricultural sector, in the sense that it fails to consider the possibility of a change of productivity in agriculture. Building upon the Lewis model, Gustav Ranis and John C.H. Fei construct a theory of economic growth, by first analyzing the role of the ‘neglected’ agricultural sector in a static sense, and then generalizing the ‘static’ analysis by introducing the possibility of an increase in agricultural productivity.

Cochrane critically reviews the models of Lewis and of Ranis and Fei, and concludes that the creation of investment capital needed to employ the surplus workers released from agriculture is the critical missing element in these models. He then suggests that the resources to finance the expensive process of agricultural modernization can be obtained by squeezing more agricultural surplus; by slowing down the rate of investment in the non-farm sector and in basic infrastructure; and by obtaining foreign loans and grants.

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Of these three sources, foreign loans and grants are, he asserts, the most advantageous, or least expensive. He further states that the growth rate of agricultural production in a developing country in the early stages must be raised high enough to meet its expanding food requirements. For this to happen, he argues, the pull exerted on agriculture through higher market prices will not be enough: agriculture must be pushed, and pushed hard, by a strategy emphasizing the use of modern technology and supporting infrastructure and services.

In our opinion, Cochrane’s model is a good exposition of the process of agricultural development, and of the possibilities and limitations of agricultural development as a catalyst for overall national development. I would like to add two elements to Cochrane’s model, and these are population control measures; and the international economic and political environment.

No strategy of agricultural and national development would ever succeed in the absence of appropriate population control measures, and a congenial international economic and political environment. Whereas a developing country can always do something to control its exploding population, the creation of a suitable international environment is the responsibility of the world community and its organizations.9

**Gunnar Myrdal’s Thesis of ‘Spread and Backwash’ Effects**

Gunnar Myrdal highlights low levels of income in most of the non-Soviet countries in the world, and international disparities in income, wealth and investment. Myrdal finds the theoretical approach (automatic self-stabilization) inadequate to grapple with the problems of inequality. In his opinion, in the normal case, a change does not call forth countervailing changes, but, instead, supporting changes which move the system in the same direction as the first change, but must faster—the principle of circular and cumulative causation. As a result of such circular causation, a social

process tends to move faster. A social process can be stopped by introducing new exogenous changes in the system. He elaborates this with an example of the African-American problem in the USA. Two factors, namely, White prejudices causing discrimination against the African-Americans, and their low plane of living are mutually inter-related. Their low standard of livings is kept suppressed by discrimination by the Whites. On the other hand, the African-American’s poverty, ignorance, superstition, slum dwellings, health deficiencies and their supposedly unclean appearance, bad odour, disorderly conduct, unstable family relations and criminality, stimulate and feed the antipathy of the Whites for them. Both these factors mutually ‘cause’ each other.

He also emphasizes the role of non-economic factors in development, and highlights the backwash effects of growth brought out by the free play of market forces. The clustering of labour, capital, goods and services in certain localities and regions leave the remaining areas, mostly rural, more or less in the backwaters and accentuate regional inequality. Concentration of firms, capital, and talented individuals in certain localities (growth points) at the expense of surrounding areas (the backwash) lowers the level of economic development below what it would have been, if growth points had never emerged.

Against the backwash effects there are, however, certain centrifugal ‘spread effects’ of expansionary momentum from the centers of economic expansion to other regions. Empirical evidence shows that ‘backwash effects’ are neutralized by ‘spread effects’ only at a high level of development. This is one of the reasons why rapid sustained progress becomes an almost automatic process, once a country has reached a high level of development. At low levels of development, the ‘spread effects’ are either very weak, or are just strong enough to cancel the ‘backwash effects’, and the result in both cases is poverty and stagnation.

Similarly, at the international level, trade, capital movement and migration have strong backwash effect on the developing countries.
Examples can easily be cited of developing countries whose cultures have been impoverished as a result of the establishment of trading contacts with the outside world.\textsuperscript{10}

**The Human Capital Model of Development**

This model emphasizes the importance of human capital investment in the process of economic and social development. By human capital, we mean acquired mental and physical ability through education, training, health care, and pursuit of some spiritual methods like yoga or meditation. The acquisition of human capital is largely through the investment of human effort and money. The simplest and most important of this type of model is a schooling model, which relates economic development to schooling. He classical and neoclassical economists did not explicitly include the quality of human resources in their theoretical frameworks; labour was taken to include both physical and mental effort.\textsuperscript{11} It was Theodore Schultz who elaborated the concept of human capital, and explicitly considered the investment in human capital as an important determinant of economic development. Subsequently, quite a few other scholars got interested in the economics of human capital, especially the economics of education, and a large number of studies were conducted on the subject. The model considers the totality of human potential, and emphasizes the need to harness it for the good of the people. It respects people’s culture and religion, and social values and structures.

The human capital approach to rural development is based on the two assumptions, which have been ignored in the classical theory of development. They are human physical and mental capabilities are partly inherited and partly acquired, and they vary from individual to individual, i.e., the classical assumption of homogeneous labour force does not hold; and human capital directly contributes to development through its positive


\textsuperscript{11}Alax, Alexander, V., Human Capital Approach to Economic Development, Metropolitan, New Delhi, 1983.
effect on productivity, and through reduction in resistance to the diffusion of new technologies in the economy, especially in the rural sector.

Thus, this model shifts the emphasis from physical capital formation to human capital formation and from industrial development to rural development, as a basis for overall development. This model seems most appropriate for labor surplus developing countries like India, where a lot of underdeveloped human resources having high potential for development exist. Besides, human resources are renewable, and hence inexhaustible. Therefore, human capital can be substituted for exhaustible non-renewable physical capital in the process of development, and thus relax the constraint on development imposed by inadequacy of physical capital to a large extent. As a matter of fact, a strategy for development of the tertiary (service) sector, which is the fastest growing sector all over the world, requires skilled, experienced and innovative human resources for their success. And this is the path that India should choose to bring about overall sustainable development. Human resource development through nutrition, health care, appropriate education, training and empowerment deserves the highest priority now.

**Gandhian Model of Rural Development**

Mohandas Karamchand Gandhi, popularly known as Mahatma Gandhi, played the leading role in securing for India political independence from the British Raj, through organizing and mobilizing Indian people from all walks of life in a peaceful and non-violent manner. He is therefore rightly called the ‘Father of the Nation’. Gandhiji’s approach to India’s rural development was holistic and people-centered. It was rooted in this conviction in the tenets of truth, non-violence and the goodness of human beings. Influenced as he was by Tolstoy, Ruskin and the teachings of the Gita, he placed more emphasis on moral and spiritual values than economic motives as a means of overall development.
The Gandhian Model of rural Development is based on the values and premises such as rural India is found not in its cities, but in its villages; the revival of villages is possible only when the villagers are exploited to more. Exploitation of villagers by city dwellers was ‘violence’, in Gandhiji’s opinion; simple living and high thinking, implying voluntary reduction of materialistic wants, and pursuit of moral and spiritual principles of life; dignity of Labour: everyone must earn his bread by physical labour, and one who labours must necessarily get his subsistence; preference to the use of indigenous products, services and institutions; and balance between the ends and the means: Gandhiji believed that non-violence and truth could not be sustained unless a balance between the ends and the means was maintained.

The principal components of the Gandhian Model are that Gandhiji’s concept of self-sufficiency was not a narrow one, nor was it that of selfishness or arrogance. He realized the need for villagers to get those things from outside the village, which they could not produce in the village. Gandhiji believed that human happiness with mental and moral development should be the supreme goal of society, and that this goal should be achieved through decentralization of political and economic powers. For Gandhiji, khadi was instrument of decentralization of production and distribution of the basic necessities of life, and of ensuring ‘work to all’. He also favoured the promotion of other village industries, such as hand grinding, hand pounding, soap making, paper making, metal making, oilseed crushing, tanning etc. He advocated the use of manual labour and opposed the introduction of machines, fearing that they would displace human labour. But he appreciated the role of new technologies if they were appropriate, indigenous, and did not affect the level of employment and standard of living. Gandhiji prescribed the following institutional structure and instruments for implementing his strategy, namely, Panchayati Raj, cooperatives, trusteeship, and Nai Taleem (New Education). A brief description of each of these instruments follows.
Gandhiji envisaged that each village in India would be republic, where the village panchayat would have the full power of managing its affairs, including defence. He expected the panchayat to perform the legislative, executive and judicial functions necessary for smooth functioning of the village economy. Various developmental activities such as education, health and sanitation would also be taken up by the village panchayat. It is good, and in conformity with Gandhiji’s views, that India now has made Panchayati Raj Institutions statutory bodies by passing the 73rd (Constitution) Amendment Act, 1992. It is hoped that Gandhiji’s dream of local self-governance through village panchayats would now be fulfilled. Gandhiji saw a great virtue in cooperation as an instrument of rural development. He assigned specific roles to cooperatives in the field of agriculture, commending the promotion of cooperative farming and thereby preventing further fragmentation of landholdings. He also advocated the establishment of other types of cooperatives, such as credit cooperatives, weavers and spinners cooperatives and dairy cooperatives. In this matter also, we have perhaps lived up to the expectations of Gandhiji. India now has the world’s largest network of cooperatives, which occupy an important place in India’s rural economy. The Operation Food programme is a living example of what cooperatives can do to promote agricultural and rural development in India. There is, therefore, need for us to adopt the cooperative path to rural development, as advocated by Gandhiji. Gandhiji considered trusteeship an instrument of transforming the capitalist order of society into an egalitarian one. In his opinion, all the land belong to God, that is, the community, and therefore he advocated that land and other natural resources should be collectively owned by, and operated for, the welfare of community. Landlords should merely be trustees of land and other natural resources and capital assets. He saw in the principle of trusteeship a non-violent method of persuading landowners to donate their land voluntarily for community welfare purposes, and of avoiding class conflicts. Gandhiji had no faith in modern education, which emphasized
only literacy and acquisition of information. In his opinion, modern education was ‘debauchery of the mind.’ Hence, he developed a new system of appropriate education and training which he called Nai Taleem. He believed that Nai Taleem would help develop the full potential of children and adults, through full development of their bodies, minds and spirits. He wanted to see Nai Taleem to be self-supporting and practice-oriented. It is unfortunate that India has not yet geared its education system to the needs of the country, and that is why its human resources remain underdeveloped and less productive, as compared to other countries which have given the highest priority to education and training. However, of late, universalization of elementary education and total literacy programmes has received higher priority than in the past, with a view to achieve the national objective of ‘Education for All’ by the year 2000. Similarly, vocational education at the post-high school level is now being considered as an alternative to the present traditional general education. This shows that we have not realized the relevance of Gandhiji’s Nai Taleem. The Gandhian model, like any other development model, has both as proponents and opponents. The proponents argue that under the prevailing sociocultural and economic conditions in India, the Gandhian model is still relevant, and is the only alternative available for bringing about equitable and sustainable rural development. They assert that Panchayati Raj Institutions and cooperatives are still as relevant as when they were in Gandhiji’s days, and that the role of appropriate education cannot overemphasize even in the present Indian context. The critics argue that Gandhiji’s ideals of swadeshi, voluntary curtailment of one’s wants, trusteeship, self-sufficient villages, and use of manual labour in preference to machines should obsolete these days, particularly in the wake of India’s new economic policy characterized by privatization, liberalization, and globalization. As a matter of fact, by adopting an economic growth-oriented development path and by following the Western model of industrialization, both under the influence of Jawaharlal Nehru, India had abandoned the Gandhian model long ago, they
assert further. To conclude, we could say that Gandhiji wanted India to travel east, but India decided to travel west, and we know ‘the twain never meet’. Now we have gone probably too far in the wrong direction, and turning around and traveling eastwards is perhaps not a feasible course of action. But, then, nothing is impossible, and if there is a will, there is a way.

**Conclusion**

We, could, from this analysis, conclude that although there is no universally valid theory of rural development available so far, the various paradigms and hypotheses of development reviewed in this chapter furnish many valuable insights into the processes and determinants of rural development. Using an eclectic approach, we could extract relevant elements from those paradigms, and synthesize them into an operational framework of rural development suited to our time and circumstances. There is a set of elements/factors that is common to most of the paradigms of development. The common set comprises natural resources, new technology, capital accumulation and investment, educated, technically training, enterprising and motivated human resources with values and ethos congenial to rural development, and an appropriate institutional and organization framework. In our opinion, a people-centered strategy, akin to the Gandhian model, would be the most appropriate paradigm of sustainable rural development for India.

**Various Facets of Community Development Programme (CDP)**

In order to put into effect the Gandhian model of sustainable rural development for India Community Development Programme was put into effect on 2\(^{nd}\) October 1952. Let us discuss in the following pages the various facets of Community Development Programme.

**Origin of Community Development Programme**

India has a very long history of experimenting with various approaches to rural development. Even in the pre-Independence era, a number of rural reconstruction experiments were initiated by nationalist thinkers and social reformers. Well-known among them were the Gurgaon
Experiment of F.L. Brayne (1920), the Marthandam Experiment of Spencer Hatch (1921), the Sriniketan Experiment of Poet Rabindra Nath Tagore (in the 1920s), the Sewagram Experiment of Mahatma Gandhi (1933), the Firka Development Scheme (1946), and the Etawah Pilot Project of Albert Mayor (1948). Besides these experiments by social reformers and missionaries, various departments of the government – agriculture, cooperation, irrigation, health, education also tried in their own way to resolve rural problems falling within their respective jurisdictions.

The Grow More Food Campaign (GMFC) was India’s first organized effort to increase food production. Although the campaign was launched in 1943 in the wake of the Bengal famine, it did not make much headway until 1947. The campaign had a two-pronged approach. First, to bring idle but potentially productive land under the plough, and second, to stimulate cultivator interest in increasing crop yield per hectare. In the 1948, the Grow More Food Campaign was reviewed by the Thakurdass Committee, and following its recommendations, the campaign was reoriented in 1950-51. In the following year, the Grow More Food Campaign became a part of the First Plan. In 1952, the Government of India appointed the Grow More Food Inquiry Committee under the chairmanship of Sir V.T. Krishnamachari to evaluate the campaign. The Committee found, inter alia, that all aspects of village life are interrelated, and no lasting results can be achieved if individual aspects of it are dealt with in isolation; and the movement touched only a fringe of the population, and did not arouse widespread enthusiasm, or become in any sense a national programme. The committee also made a number of recommendations regarding the future policy of the GMFC. One of the recommendations was that an extension agency should be set up for rural work, which would reach every farmer and assist in the coordinated development of rural life. It was out of this background and experience that India’s Community Development Programme was born.
The various premises fundamental in India’s decision to create the National Community Development Programme in 1952 include the overall development of the rural community can be brought about only with effective participation of the people, backed by the coordination of technical and other services necessary for securing the best from such initiative and self-help. It was to provide the necessary institutional structure and services that early attention was given to the development of basic democratic village institutions especially Panchayati Raj, cooperatives and village schools and the Problems of rural development have to be viewed from a holistic perspective, and the efforts to solve them have to be multifaceted.\(^{12}\)

One of the important initial moving forces in community development was Prime Minister Jawharlal Nehru’s interest in the programme. Nehru felt that one of India’s most important undeveloped resources was the people, living in its some six hundred thousand villages. Nehru saw in community development the way to involve the village people in building a new India. He visualized that through their involvement in self help oriented programmes, would come the development of the people and people’s institutions – both essential ingredients in moving India towards one of its most clearly stated objectives, that of developing into a viable democracy.

**Meaning and Objectives**

Community development may be defined as a process by which the efforts of the people themselves are combined with those of governmental authorities, to improve the economic, social and cultural conditions of communities, to integrate these communities into the life of the nation, and to enable them to contribute fully to national progress.

The central objective of the Community Development Programme was to secure the total development of the material and human resources of rural areas, and to develop local leadership and self-governing

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institutions. The basic idea was to raise the levels of living of rural people through a number of programmes. This objective was to be attained by bringing about a rapid increase in food and agricultural production by strengthening programmes of resource development, such as minor irrigation and soil conservation, by improving the effectiveness of farm inputs supply systems, and by providing agricultural extension services to farmers. To draft outline of the programme, which received the sanction of the Government of India, stated at the beginning that the purpose of the Community Projects shall be to as pilot in the establishment, for men, women and children covered by the project areas, of the ‘Right to Live’; food the principal item in the wherewithals for this purpose – receiving the primary emphasis in the initial stages of the programme.

**Coverage**

The Community Development Programme was formally inaugurated on 2 October 1952. It was intended to be the first step in a programme of intensive development, which was expected over a period of time to cover the entire country. Initially, the Community Development Programme was launched in 55 project areas located in different parts of the country. Another 110 areas had necessarily to be added to the original 55 in the course of six months. Demands for the expansion of the Community Development Programme from members in the state legislatures and from members of parliament continued skyrocketing. It was difficult to resist the mounting political pressure to expand the programme.

A new, somewhat less ambitious scheme, called the National Extension Service (NES) was evolved and launched in 1953. Whereas in the Community Development Programme, intensive development was taken up in all fields, the NES scheme was designed to provide the essential basic staff and a small amount of funds, with which the people could start the development work, essentially on the basis of self-help. The National Extension Service blocks were subsequently converted into Community Development Programme blocks. The patter of the Community Development
Programme was further revised with effect from 1\textsuperscript{st} April 1958. According to this pattern, the Community Development Programme blocks had a life of 10 years, consisting of Stages I and II of equal duration, the budget provision in Stage I being higher. Besides, a one-year pre-extension phase preceding Stage I, with attention exclusively devoted to agricultural development, was introduced from 1\textsuperscript{st} April 1959. From 1\textsuperscript{st} April 1969, the Community Development Programme was transferred to the state sector.

Originally, each of the 55 project areas was to embrace approximately 300 villages, with a population of about 200,000 people, and cover a cultivated area of approximately 150,000 acres. A project area was to be divided into three development blocks, each comprising about 100 villages and a population of about 65,000 people. In areas where a full project was not considered feasible, one or two development blocks were started to begin with. The 55 projects were to include approximately 16,500 villages, and over a crore of people.

However, as mentioned earlier, the Community Development Programme has to be expanded phenomenally under political pressure, and soon it became a national programme encompassing 400 million rural people across the four corners of the country. Indeed, while America took 50 years, despite its enormous resources, to establish a rural extension programme covering 7 per cent of its rural population, India was obliged under political pressure to set a target to cover the whole country with the NES programme in eight years, and the more extensive Community Development Programme in 12 years. Both the programme as well as the inputs had necessarily to be diluted under this abnormal rate of expansion. The Community Development Programme now covers all the rural areas in the country.

**Activities**

The rural community development activities are undertaken in varying degrees, as are advisable under the circumstances peculiar to each
They include agricultural and related matters such as reclamation of available virgin and waste land, provision of water for agriculture through irrigation canals, tube wells, surface wells, tanks, lift irrigation from rivers, lakes and pools, etc., development of rural electrification, provision of commercial fertilizers, provision of quality seeds, promotion of improved agricultural techniques and land utilization, provision of veterinary aid, provision of technical information, materials and bulletins on agriculture, provision for the dissemination of information through slides, films, radio broadcasts and lectures, provision of improved agricultural implements, promotion of marketing and credit facilities, provision of breeding centres for animal husbandry, development of inland fisheries, promotion of home economics, development of fruit and vegetable cultivation, provision of soil surveys and information, encouragement of the use of natural and compost manures and provision of arboriculture, including plantation of forests; communication activities such as provision of roads, encouragement of mechanical road transport services and development of animal transport facilities; educational activities such as provision of compulsory and free education, preferably basic education, at the elementary stage, provision of high and middle schools and provision of adult education and library services; health activities such as provision of sanitation (including drainage and disposal of wastes)], provision for the control of malaria and other diseases, provision of improved drinking water supplies, provision of medical aid for the ailing, antenatal care of expectant mothers and midwifery services and provision of generalized public health service and education; training activities such as refresher courses to improve the existing standard of artisans, training of agriculturists, training of extension assistants, training of artisans and training of supervisors, managerial personnel, health workers and executive officers for projects; social welfare activities such as organization of community entertainment, provision of

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13Ensminger, Douglas, Rural India in Transition, All India Panchayat Parishad, New Delhi, 1972.
audio-visual aids for instruction and recreation, organization of sports activities, organization of melas (Village fairs) and organization of the cooperative and self help movement; supplementary employment activities such as encouragement of cottage industries and crafts as the main or subsidiary occupation, encouragement of medium and small-scale industries to employ surplus hands for local needs, or for export outside project areas, encouragement of employment through trade, auxiliary and welfare services and construction of brick kilns and sawmills to provide building materials for local needs; and housing activities such as demonstration and training in improved techniques and designs for rural housing and encouragement of improved rural housing on a self-help basis.

Organization

The Community Development Programme was undertaken and implemented by the Government of India and the various state governments in cooperation with one another. For this purpose, an organizational structure was contemplated under the Technical Cooperation Programme Agreement of 5 January 1952 between the Government of India and the Government of USA. Some salient features of the organizational structure are briefly presented in the following paragraphs.

Central Organization

The Government of India formed a Central Committee at the national level with the Prime Minister as the Chairperson, the Members of the Planning Commission, and the Minister of Food and Agriculture as members to lay down the broad policies, and provide the general supervision for the agreed projects. An Administrator was appointed to plan, direct, and coordinate the programme throughout India, under the general supervision of the Central Committee, and in consultation with appropriate authorities in the various states. All nation-building ministries were directed to collaborate with the programme through the Community Project Administration which was specially created for the purpose. The Administrator was assisted by a team of highly qualified executive staff, in
areas such as administration, finance, personnel (training), community planning and other matters, and by operating divisions in the fields of agriculture; irrigation; health; education; industries; housing and community facilities. This staff worked with the state, district and project level workers to implement the Community Development Programme.

The Community Development Programme organization at the national level has undergone a number of changes. In September 1956, a new Ministry of Community Development was created. Thereafter, for many years, the Department of Rural Development under the Ministry of Agriculture and Rural Development was in overall charge of the programme in the country. Now, there is a separate Ministry of Rural Areas and Employment in charge of all centrally sponsored rural development programmes.

**State Organization**

Each state government established a state development committee or similar body consisting of the Chief Minister as the Chairperson, ministers representing the nation-building departments as members, and a highly competent officer as Development Commissioner, who acted as the secretary to the Committee. He was responsible for directing the programme within the state; and coordinated the activities of the heads of various departments concerned with the programme. He was assisted by suitable operating staff. Many states constituted state planning commissions or state planning boards for this purpose, and the Development Commissioner in many states was re-designated as the Agricultural Production Commissioner, or the Principal Secretary, Agriculture.

**District Organization**

This was established at the district level. Where necessary, a District Development Officer was responsible for the Community Development Programme in his district. This officer has the status of an additional collector, and is responsible for the execution of the community
projects as well as the general development in the district. He operates under the direction of the state Development Commissioner, and is advised by a district development board consisting of the officers of the various departments concerned with community development, with the collector as chairperson, and the district development officer as the executive secretary. Now, after the 73\textsuperscript{rd} Constitution Amendment, statutory zila parishads are responsible for the implementation of the programme in the districts. The zila parishad is chaired by an elected non-official, and the DDO is the chief executive officer of the zila parishad. There are state-to-state variations in the organizational structure of the Community Development Programme at the district level.

**Block Organization**

At the block level, a Block Development Committee (BDC) was established with the sub-divisional officer acting as its chairperson, and a Block Development Officer (BDO) acting as its executive secretary. The BDO is responsible for the implementation of the programme within the block. He is assisted by a number of Extension Officers (EOs) in the fields of agriculture, animal husbandry, rural engineering, public health, cooperation, social education, women’s and children’s programmes, and rural industries.

After the introduction of panchayati raj, the BDC has been replaced by the statutory block parishad or samiti or block panchayati samiti, which is chaired by an elected non-official. The BDO is the secretary of the block samiti.

**Village Organization**

Initially, as the village level, 10 Village Level Workers (VLWs) or gram sevaks and two gram sevikas were responsible for implementing the programme within a cluster of villages. VLWs work under the advice and control of the BDO. With the establishment of panchayati raj in all states now, the village or gram panchayat, which is headed by an elected non-
official, is responsible for implementing the programme within its jurisdiction. The VLW assigned to the panchayat is its secretary.

In the theoretical background of the Community Development Programme an attempt has been made to explain the various facets of Community Development Programme such as origin of Community Development Programme, meaning and objectives, coverage, activities and organization.

**Community Development Programme and Panchayati Raj Institutions**

A new Ministry of Community Development Programme was created in January 1957. The Government of India appointed a Committee to examine the working of the Community Development Programme (1952) and the National Extension Service (1953) and to suggest measures for their better working. The Chairman of this Committee was Balwantray G. Mehta. The Committee submitted its report in November 1957 and recommended the establishment of the scheme of ‘democratic decentralization’ which ultimately came to be known as Panchayati Raj.

**Specific Recommendations of the Balwantray Mehta Committee**

The specific recommendations made by the Balwantray Mehta Committee are establishment of a three-tier Panchayati Raj system - Gram Panchayat at the Village level, Panchayat Samiti at the Block level, and Zila Parishad at the District level; these tiers should be organically linked through a device of indirect elections; the Village Panchayat should be constituted with directly elected representatives, whereas the Panchayat Samiti and Zila Parishad should be constituted with indirectly elected members; all planning and developmental activities should be entrusted to these bodies; the Panchayat Samiti should be the executive body while the Zila Parishad should be the advisory coordinating and supervisory body; the District Collector should be the Chairman of the Zila Parishad; there should be a genuine transfer of power and responsibility to these democratic bodies;
adequate resources should be transferred to these bodies to enable them to discharge their functions and fulfill their responsibilities; and a system should be evolved to effect further devolution of authority in future.

These recommendations of the Committee were accepted by the National Development Council in January 1958. The Council did not insist on a single rigid pattern and left it to the States to evolve their own patterns suitable to local conditions. But the basic principles and broad fundamentals should be identical throughout the country.

Rajasthan was the first State to establish Panchayati Raj. The scheme was inaugurated by the Prime Minister on 2nd October, 1959, in Nagaur District. Rajasthan was followed by Andhra Pradesh which also adopted the system in 1959. Thereafter, most of the States adopted the system.

Though, most of the States created Panchayati Raj institutions by mid 1960s, there were differences from one State to another with regard to the number of tiers, relative position of Samiti and Parishad, their tenure, composition, functions, finances and so on. For example, Rajasthan adopted three-tier system while Tamil Nadu adopted two-tier system, West Bengal, on the other hand, adopted four-tier system. Further, in Rajasthan–Andhra Pradesh pattern, Panchayat Samiti was powerful as the Block was the unit of planning and development while in Maharashtra-Gujarat pattern, Zilla Parishad was powerful as the District was the unit of planning and development. Some States also established Nyaya Panchayats, that is, judicial Panchayats to try petty civil and criminal cases.

**Study Teams and Committees**

Since 1960, many Study Teams, Committees and Working Groups were appointed to examine the various aspects of functioning of Panchayati Raj system. They are mentioned below in a chronological order, along with the names of the Chairmen in bracket.

1. 1960-Committee on Rationalisation of Panchayat Statistics (V.R. Rao)
2. 1961-Working Group on Panchayats and Cooperatives (S.D. Mishra)
3. 1961-Study Team on Panchayati Raj Administration (V. Iswaran)
4. 1962-Study Team on Nyaya Panchayats (G.R. Rajgopal)
5. 1963-Study Team on the Position of Gram Sabha in Panchayati Raj Movement (R.R. Diwakar)
6. 1963-Study Group on Budgeting and Accounting Procedure of Panchayati Raj Institutions (M. Rama Krishnayya).
7. 1963-Study Team on Panchayati Raj Finances (K. Santhanam)
8. 1965-Committee on Panchayati Raj Elections (K. Santhanam)
9. 1965-Study Team on the Audit and Accounts of Panchayati Raj Bodies (R.K. Khanna)
10. 1966-Committee on Panchayati Raj Training Centres (G. Ramachandran)
11. 1969-Study Team on Involvement of Community Development Agency and Panchayati Raj Institutions in the Implementation of Basic Land Reform Measures (V. Ramanathan)
12. 1972-Working Group for Formulation on Fifth Five Year Plan on Community Development and Panchayati Raj (N. Ramakrishnayya)
13. 1976-Committee on Community Development and Panchayati Raj (Smt. Daya Choubet)

Ashok Mehta Committee

In December 1977, the Janata Government formed a Committee on Panchayati Raj institutions under the Chairmanship of Ashok Mehta. It submitted its report in August 1978 and made 132 recommendations to revive and strengthen the declining Panchayati Raj system in the Country. Its main recommendations are the three-tier system of Panchayati Raj should be replaced by the two-tier system, that is, Zila Parishad at the District level, and below it, the Mandal Panchayat consisting of a group of Villages covering a population of the 15,000 to 20,000; a District should be the first point for decentralization under popular supervision below the State level; Zila Parishad should be the executive body and made responsible for planning at the District level; there should be an official participation of
political parties at all levels of Panchayat elections; the Panchayati Raj institutions should have compulsory powers of taxation to mobilise their own financial resources; there should be a regular social audit by a District level agency and by a Committee of legislators to check whether the funds allotted for the vulnerable social and economic groups are actually spent on them; the State Government should not supersede the Panchayati Raj institutions. In case of an imperative supersession, election should be held within six months from the date of supersession; the Nyaya Panchayats should be kept as separate bodies from that of Development Panchayats. They should be presided over by a qualified Judge; the Chief Electoral Officer of State in consultation with Chief Election Commissioner should organize and conduct the Panchayati Raj elections; development functions should be transferred to the Zila Parishad and all development staff should work under its control and supervision; a Minister for Panchayati Raj should be appointed in the State Council of Ministers to look after the affairs of the Panchayati Raj institutions; and seats for SCs and STs should be reserved on the basis of their population.

Due to the collapse of the Janata Government before the completion of its term, no action could be taken on the recommendations of the Ashok Mehta Committee at the Central level. However, the three States of Karnataka, West Bengal and Andhra Pradesh took steps to revitalise the Panchayati Raj, keeping in view some of the recommendations of the Ashok Mehta Committee.

**Revitalization Efforts in 1980s and 1990s**

The steps taken in the 1980s and 1990s to revitalize the moribund Panchayati Raj institutions in the States are discussed in the following pages.

**G.V.K. Rao Committee**

The Committee on Administrative Arrangement for Rural Development and Poverty Alleviation Programmes under the Chairmanship of G.V.K. Rao was appointed by the Planning Commission in 1985. The
Committee came to conclusion that the developmental process was gradually bureaucratized and divorced from the Panchayati Raj. This phenomena of bureaucratization resulting in what is aptly called as ‘grass without roots’. Hence the Committee made the recommendations to strengthen and revitalize the Panchayati Raj system. They are the District level body, that is, the Zila Parishad should be of pivotal importance in the scheme of democratic decentralization. It stated that “the District is the proper unit for planning and development and the Zila Parishad should become the principal body for management of all development programmes which can be handled at the level”; the Panchayati Raj institutions at the District and lower levels should be assigned an important role with respect to planning, implementation, and monitoring of rural development programmes; some of the planning functions at the State level should be transferred to the District level planning units for effective decentralized District planning; a post of District Development Commissioner should be created. He should act as the Chief Executive Officer of the Zila Parishad and should be in charge of all the development departments at the District level; and elections to the Panchayati Raj institutions should be held regularly. It found that elections became overdue for one or more tiers in eleven States.

Thus, the Committee, in its scheme of decentralized system of field administration, assigned a leading role to the Panchayati Raj in local planning and development. It is in this respect that the G.V.K. Rao Committee Report (1986) differed from the Dantwala Committee Report on Block-Level Planning (1978) and the Hanumantha Rao Committee Report on District Planning (1984). Both the Committees have suggested that the basic decentralized planning function should be done at the District level. The Hanumantha Rao Committee advocated separate District planning bodies under either the District Collector or a Minister. In both the models, the Collector should play a significant role in the decentralized planning though, the Committee stated that Panchayati Raj institutions would also be
associated with this process (of decentralized planning). The Committee recommended that the Collector should be the coordinator at the District level, of all developmental and planning activities. Thus, the Hanumantha Rao Committee differed in this respect from Balwantray Mehta Committee, Administrative Reform Commission of India, Ashok Mehta Committee and finally G.V.K. Rao Committee which recommended reduction in the developmental role of the District Collector and which assigned major role to the Panchayati Raj in development administration.

**L.M. Singhvi Committee**

In 1986, Rajiv Gandhi Government appointed a Committee on ‘Revitalisation of Panchayati Raj Institutions for Democracy and Development’ under the Chairmanship of L.M. Singhvi. It made the recommendations such as the Panchayati Raj institution should be constitutionally recognised, protected and preserved. For this purpose, a new chapter should be added in the Constitution of India. This will make their identity and integrity reasonably and substantially inviolate. It also suggested constitutional provisions to ensure regular, free and fair elections to the Panchayati Raj bodies; Nyaya Panchayats should be established for a cluster of Villages; the Villages should be reorganised to make Gram Panchayats more viable. It also emphasised the importance of the Gram Sabha and called it as the embodiment of direct democracy; the Village Panchyats should have more financial resources; and the judicial tribunals should be established in each State to adjudicate controversies about election to the Panchayati Raj institutions, their dissolution and other matters related to their functioning.

**64th Amendment Bill**

In response to the above recommendations of L.M. Singhvi Committee, Rajiv Gandhi’s Government introduced the 64th Constitutional Amendment Bill in the Lok Sabha in July 1989 to constitutionalise the Panchayati Raj institutions and make them more powerful and broad based. Although, the Lok Sabha passed the Bill in August 1989, it was not
approved by the Rajya Sabha. The Bill was vehemently opposed by the opposition on the ground that it sought to strengthen centralisation in the federal system.

**V.P. Singh Government**

The National Front Government, soon after assuming office in November 1989 under the Prime Ministership of V.P. Singh, announced that it would make steps to strengthen the Panchayati Raj institutions. In June 1990, a two-day Conference of the State Chief Ministers under the Chairmanship of V.P. Singh was held to discuss the issues relating to the strengthening of the Panchayati Raj bodies. The Conference approved the proposals for the introduction of a Fresh Constitutional Amendment Bill. Consequently, the 74th Constitutional Amendment Bill was introduced in the Lok Sabha in September 1990. However, the fall of the Government resulted in the lapse of the Bill.

**Narsimha Rao Government**

The Congress Government under the Prime Ministership of P.V. Narasimha Rao once again considered the matter of the Constitutionalisation of Panchayati Raj bodies. It drastically modified the proposals in this regard to delete the controversial aspects. Finally, it introduced the 73rd Constitutional Amendment Bill in the Lok Sabha in September 1991. It was passed by the Lok Sabha on December 22, 1992 and by the Rajya Sabha on December 23, 1992. Later, it was approved by the 17 State Assemblies and received the assent of the President of India on 20 April, 1993. Thus it emerged as the 73rd Constitutional Amendment Act, 1992 and came into force on 24 April, 1993.

**The 73rd Constitutional Amendment Act of 1992**

This Act has added Part - XI to the Constitution of India. It is entitled as ‘The Panchayats’ and consists of provisions from articles 243 to 243-O. In addition, the Act has also added Eleventh Schedule to the Constitution. It contains 29 functional items of the Panchayats and deals with Article 243-G.
The Act has given a practical shape to Article 40 of the Constitution, which says that, “The State shall take steps to organize Village Panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of Self-Government.” This article forms a part of the Directive Principles of State Policy.

The Act gives a Constitutional status to the Panchayati Raj institutions. It has brought them under the purview of the Justiciable part of the Constitution. In other words, the State Governments are under Constitutional obligation to adopt the New Panchayati Raj System in accordance with the provisions of the Act. Consequently, neither the formation of Panchayats nor the holding of elections at regular intervals depends on the will of the State Government any more.

The provisions of the Act can be grouped into two categories—compulsory and voluntary. The compulsory (mandatory or obligatory) provisions of the Act have to be included in the State laws creating the new Panchati Raj system. The voluntary provisions, on the other hand, may be included at the discretion of the States. Thus, the voluntary provisions of the Act ensure the right of the States to take local factors like geographical, politico-administrative, and others, into consideration while adopting the New Panchayati Raj system. In others words, the Act does not disturb constitutional balance between the Centre and the States in the Indian federal system. Though, it is a Central Law on a State Subject (i.e. Local Government is a subject included in the State List under the Seventh Schedule of the Constitution), the Act does not encroach upon the jurisdiction of the States which are given adequate discretionary powers with regard to the Panchayats.

The 73rd Constitutional Amendment Act is a significant landmark in the evolution of grassroot democratic institutions in the country. It transfers the representative democracy into participatory democracy. The Act has provided a Gram Sabha for each Village, a Panchayat for each Village or a group of Villages, Panchayats at
Intermediary and District levels, Members of Panchayats elected by people through voting, a President elected directly by the people or by Panchayat Members from among themselves, one third reservation for women to all the posts, reservation for socially backward sections in proportion to the population, five year-term for Panchayat, reelection to vacant posts within six months, power in 29 sectors, power to prepare annual and long term plans and Constitutional Provision for District Planning Committee. On the basis of the 73\textsuperscript{rd} Constitutional Amendment Act and Tamil Nadu Panchayat Act enacted during 1994. Almost all the States and Union Territories have passed Panchayati Raj Acts on the basis of 73\textsuperscript{rd} Constitutional Amendment Act. Thus, New Panchayati Raj system is a social reality all over India today. There are Gram Panchayats everywhere. The public are fairly aware of the Block and District Panchayats. The three-tier Panchayats are active to some extent. Members elected to the Panchayats are accepted well by the society. As a level of administration, its status has gone up. The Finance Commission has been created for proper sharing of income of the State Government between the State Government and the Local Governments. The Election Commission has been created in every State to conduct periodic elections to the local bodies. Thirty Three percent reservation for women and reservation for Scheduled Castes and Scheduled Tribes to proportion to their population have been ensured through the 73\textsuperscript{rd} Constitutional Amendment Act. Eleventh Schedule of the Indian Constitution has earmarked 29 functions to the Panchayati Raj Bodies.

**Tamil Nadu Panchayat Act, 1994**

In Tamil Nadu on the basis of 73\textsuperscript{rd} Constitutional Amendment Act, Tamil Nadu Panchayat Act was enacted during 1994. This Act has given effect to the various recommendations made in the 73\textsuperscript{rd} Constitutional Amendment Act. It is believed that with the introduction of the New Panchayati Raj system on the basis of 73\textsuperscript{rd} Constitutional Amendment Act, Tamil Nadu Panchayat Act was enacted during 1994, Community Development Programme and its related Poverty Alleviation Programmes
could be properly implemented with the effective participation of the people. So far no attempt has been made how far the New Panchayati Raj System has given effect to the various Poverty Alleviation Programmes. Therefore, the Scholar thought it appropriate to take up the research study on the impact of Swarnajayanthi Gram Swarozgar Yojana, a Community Development related Programme, on Rural Development.